

HOUSE BILL 367

Unofficial Copy
J4
SB 267/99 - FIN

2000 Regular Session
0lr1525

By: **Delegates Goldwater, Eckardt, Sher, Snodgrass, Stull, Hurson, Nathan-Pulliam, Klausmeier, Redmer, and Owings**

Introduced and read first time: February 2, 2000

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - Patient Access to Choice of Provider**

3 FOR the purpose of altering certain standards of care for health maintenance
4 organizations to make them apply to services of nurse practitioners in addition
5 to physicians; requiring health maintenance organizations to designate certain
6 providers as primary care providers; defining certain terms; and generally
7 relating to health maintenance organizations.

8 BY repealing and reenacting, without amendments,
9 Article - Health - General
10 Section 19-701(a), (h), and (i)
11 Annotated Code of Maryland
12 (1996 Replacement Volume and 1999 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Health - General
15 Section 19-701(f) and 19-705.1(b)
16 Annotated Code of Maryland
17 (1996 Replacement Volume and 1999 Supplement)

18 Preamble

19 WHEREAS, The 1997 federal budget bill contains provisions allowing direct
20 Medicare reimbursement to nurse practitioners regardless of geographic setting; and

21 WHEREAS, The new Maryland Medicaid Program, known as "HealthChoice"
22 has recognized nurse practitioners as primary care providers; and

23 WHEREAS, The Maryland General Assembly passed Chapter 605 of the Acts of
24 1995, better known as the "Patient Access Act", which provided health maintenance
25 organization (HMO) members or subscribers greater access and choice of providers;
26 and

1 WHEREAS, The intent of the Maryland General Assembly is to support health
2 care providers who are practicing as their licenses allow; and

3 WHEREAS, The intent of the Maryland General Assembly is to allow members
4 or subscribers of HMOs the most choice in selecting a primary care provider; and

5 WHEREAS, This legislation is not intended to interfere with the current
6 relationship between physicians and nurse practitioners; and

7 WHEREAS, The intent of the Maryland General Assembly is to clarify the laws
8 of Maryland as they relate to allowing members or subscribers of HMOs the greatest
9 amount of choice in selecting a primary care provider for the provision of their health
10 care needs; now, therefore,

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Health - General**

14 19-701.

15 (a) In this subtitle the following words have the meanings indicated.

16 (f) "Health maintenance organization" means any person, including a profit
17 or nonprofit corporation organized under the laws of any state or country, that:

18 (1) Operates or proposes to operate in this State;

19 (2) Except as provided in § 19-703(b) and (f) of this subtitle, provides or
20 otherwise makes available to its members health care services that include at least
21 physician, hospitalization, laboratory, X-ray, emergency, and preventive services,
22 out-of-area coverage, and any other health care services that the Commissioner
23 determines to be available generally on an insured or prepaid basis in the area
24 serviced by the health maintenance organization, and, at the option of the health
25 maintenance organization, may provide additional coverage;

26 (3) Except for any copayment or deductible arrangement, is compensated
27 only on a predetermined periodic rate basis for providing to members the minimum
28 services that are specified in item (2) of this subsection;

29 (4) Assures its subscribers and members, the Commissioner, and the
30 Department that one clearly specified legal and administrative focal point or element
31 of the health maintenance organization has the responsibility of providing the
32 availability, accessibility, quality, and effective use of comprehensive health care
33 services; and

34 (5) Primarily provides services of physicians OR NURSE PRACTITIONERS:

35 (i) Directly through physicians OR NURSE PRACTITIONERS who are
36 either employees or partners of the health maintenance organization; or

1 (ii) Under arrangements with one or more groups of physicians OR
2 NURSE PRACTITIONERS, who are organized on a group practice or individual practice
3 basis, under which each group:

4 1. Is compensated for its services primarily on the basis of an
5 aggregate fixed sum or on a per capita basis; and

6 2. Is provided with an effective incentive to avoid
7 unnecessary inpatient use, whether the individual physician OR NURSE
8 PRACTITIONER members of the group are paid on a fee-for-service or other basis.

9 (h) "Provider" means any person, including a physician or hospital, who is
10 licensed or otherwise authorized in this State to provide health care services.

11 (i) "Subscriber" means a person who makes a contract with a health
12 maintenance organization, either directly or through an insurer or marketing
13 organization, under which the person or other designated persons are entitled to the
14 health care services.

15 19-705.1.

16 (b) The standards of quality of care shall include:

17 (1) (i) A requirement that a health maintenance organization shall
18 provide for regular hours during which a member may receive services, including
19 providing for services to a member in a timely manner that takes into account the
20 immediacy of need for services; and

21 (ii) Provisions for assuring that all covered services, including any
22 services for which the health maintenance organization has contracted, are accessible
23 to the enrollee with reasonable safeguards with respect to geographic locations;

24 (2) A requirement that a health maintenance organization shall have a
25 system for providing a member with 24-hour access to a physician in cases where
26 there is an immediate need for medical services, and for promoting timely access to
27 and continuity of health care services for members, including:

28 (i) Providing 24-hour access by telephone to a person who is able
29 to appropriately respond to calls from members and providers concerning after-hours
30 care; and

31 (ii) Providing a 24-hour toll free telephone access system for use in
32 hospital emergency departments in accordance with § 19-705.7 of this subtitle;

33 (3) A requirement that any nonparticipating provider shall submit to the
34 health maintenance organization the appropriate documentation of the medical
35 complaint of the member and the services rendered;

1 (4) A requirement that a health maintenance organization shall have a
2 physician OR NURSE PRACTITIONER available at all times to provide diagnostic and
3 treatment services;

4 (5) A requirement that a health maintenance organization shall assure
5 that:

6 (i) Each member who is seen for a medical complaint is evaluated
7 under the direction of a physician OR NURSE PRACTITIONER; and

8 (ii) Each member who receives diagnostic evaluation or treatment
9 is under the direct medical management of a health maintenance organization
10 physician who provides continuing medical management;

11 (6) A requirement that each member shall have an opportunity to select
12 a primary physician OR NURSE PRACTITIONER from among those available to the
13 health maintenance organization; [and]

14 (7) A REQUIREMENT THAT A HEALTH MAINTENANCE ORGANIZATION
15 SHALL DESIGNATE WHICH PHYSICIANS OR NURSE PRACTITIONERS AMONG THOSE
16 AVAILABLE TO THE HEALTH MAINTENANCE ORGANIZATION MAY BE CLASSIFIED AS
17 PRIMARY CARE PROVIDERS; AND

18 (8) A requirement that a health maintenance organization print, in any
19 directory of participating providers or hospitals, in a conspicuous manner, the
20 address, telephone number, and facsimile number of the State agency that members,
21 enrollees, and insureds may call to discuss quality of care issues, life and health
22 insurance complaints, and assistance in resolving billing and payment disputes with
23 the health plan or health care provider, as follows:

24 (i) For quality of care issues and life and health care insurance
25 complaints, the Maryland Insurance Administration; and

26 (ii) For assistance in resolving a billing or payment dispute with
27 the health plan or a health care provider, the Health Education and Advocacy Unit of
28 the Consumer Protection Division of the Office of the Attorney General.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2000.